



CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE

CAL  CalCannabis  
Cultivation Licensing

# Overview of the Commercial Cannabis Cultivation Licensing Process

January 2020

# Top Ten Counties with Number of Licenses Issued

Total applications approved: 5,250

- |                                |                            |
|--------------------------------|----------------------------|
| 1. Humboldt County: 1,275      | 6. Los Angeles County: 193 |
| 2. Santa Barbara County: 1,196 | 7. Yolo County: 93         |
| 3. Mendocino County: 615       | 8. Sonoma County: 90       |
| 4. Monterey County: 485        | 9. Lake County: 88         |
| 5. Trinity County: 238         | 10. Riverside County: 77   |

# Number of Licenses Issued by Designation

Total applications approved: 5,250

Applications approved but pending license fee payment: 507

Issued Medicinal Licenses: 1,478

Issued Adult-Use Licenses: 3,265

# Number of Licenses Issued by Size

Small: 3,086

Specialty: 732

Medium: 440

Nursery: 205

Specialty Cottage: 171

Processor: 109

# Number of Licenses Issued by Type

Outdoor: 1,810

Mixed-Light Tier 1: 1,721

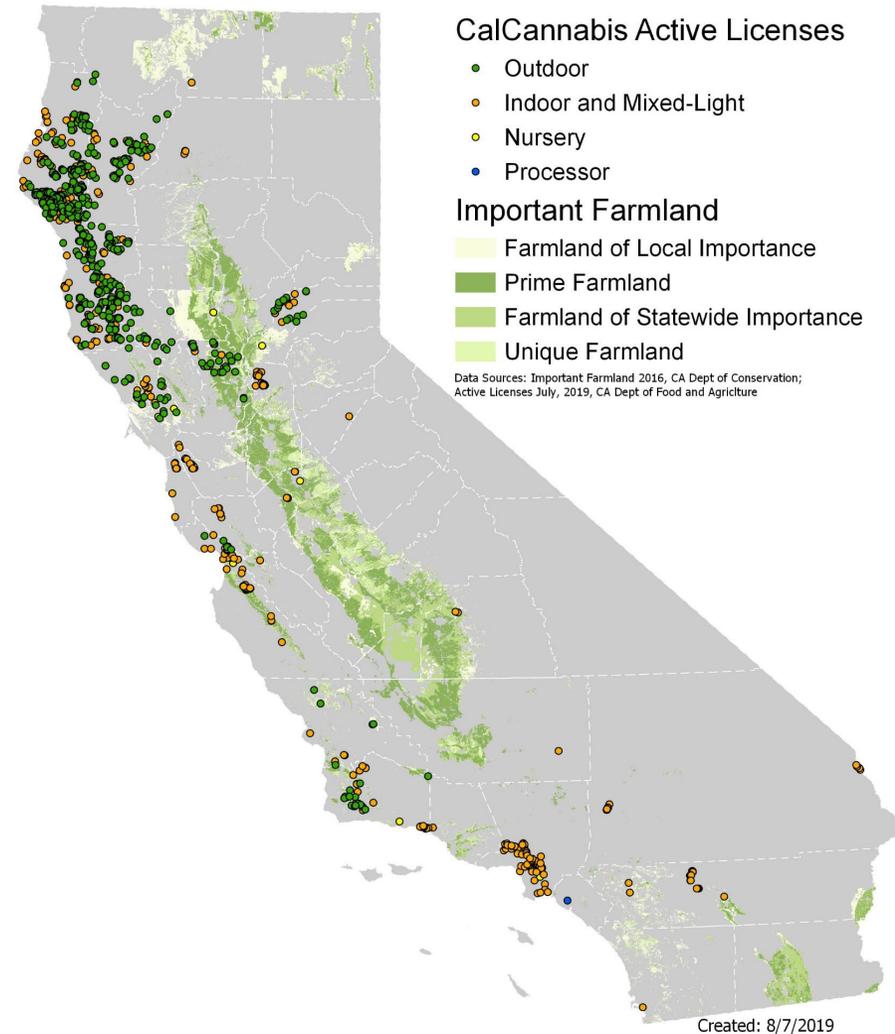
Indoor: 543

Mixed-Light Tier 2: 355

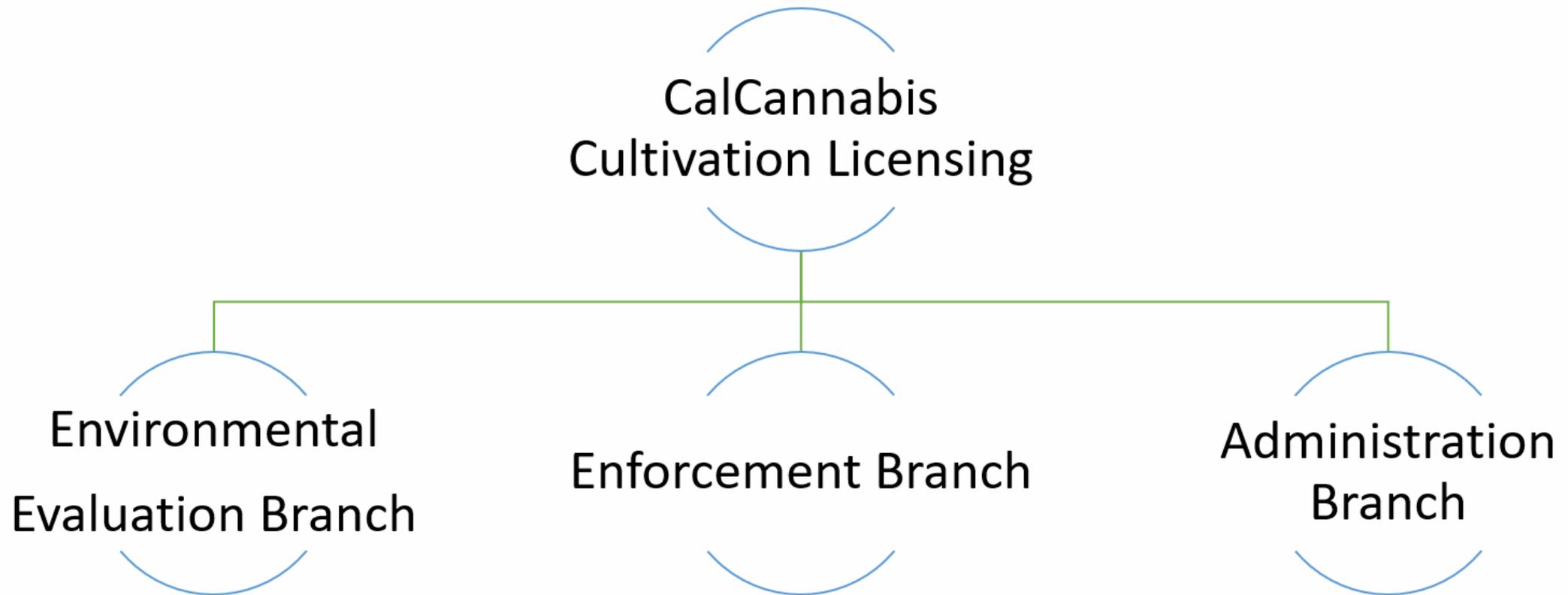
Nursery: 205

Processor: 109

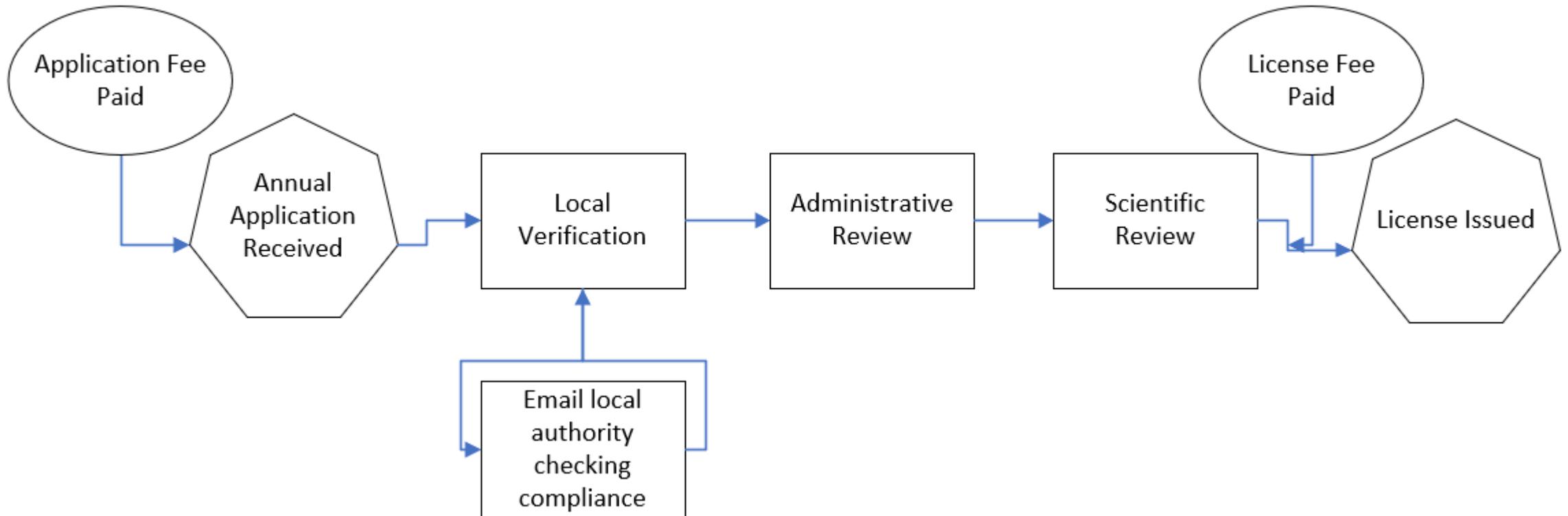
# Active cannabis cultivation licenses as of 8/1/2019



# Organization



# Annual License Application Review Process Flow



# Local Verification

## **Address Validation**

- Confirm physical address using web-based mapping software

## **Transmit Compliance Inquiry**

- Permit supplied = 10 calendar days to respond
- No permit supplied = 60 business days to respond

## **Analyze Compliance Response**

- In Compliance = moves to administrative review
- Pending = moves to administrative review
- Not in Compliance = review stops and may be recommended for denial
- No Response = move to administrative review

# Administrative Review

## **Business Entity Structure**

- business formation documents, sellers permit, surety bond, other cannabis interests

## **Right to Occupy**

- Own- title or deed for the property
- Rent/Lease- lease agreement and acknowledgement letter from property owner

## **Owner Applications**

- criminal history, conviction disclosures, statement of rehabilitation, legal determination on substantially-related offenses

## **Deficiencies**

- 90 days to supply all missing or incomplete information
- There is no extension of the 90 day deficiency period

# Scientific Review

## **Cultivation Plan**

- Pest management plan, waste management plan, premises diagram, and property diagram

## **Water source and associated documentation**

## **Enrollment in the state water quality protection program**

## **Lake or streambed alteration agreement - provisional decision**

## **CEQA Compliance—provisional decision**

## **Deficiencies**

- 90 days to supply all missing or incomplete information

# Application Approval

## **90 days to pay license fee and receive license**

- If fee is not paid by the 90 day deadline the application will be disqualified
- 535 approved applications pending payment of license fee

**Cultivators who have not paid the license fee cannot legally cultivate  
or engage in transfer of product**

# California Environmental Quality Act (CEQA)

**Local Jurisdiction may opt for a statutory exemption for their local ordinance**

**Full discretionary review**

- Categorical Exemptions
- IS/MND
- Tiering checklists or addenda
- Robust project descriptions required

**CDFA is a Responsible Agency**

- Issuance of a State License is a subsequent discretionary action

**CDFA can fulfill the role of lead of agency if the local jurisdiction opts out**

- This will result in delays approving applications and issuing licenses

**Ministerial exemptions alone are not sufficient for the issuance of a State License**

# Provisional Licenses

## **All required components of the Annual License**

- Must be able to show CEQA compliance is “underway”
- CDFW documentation must be in progress

## **Local verification you are engaged in the process**

- Location specific—Affidavit, permission letter, jurisdictional lists etc
- Will work with cultivators as they submit applications

## **Provisional is not a separate application**

- CDFA determines Provisional vs Annual based on application components

# Administrative Amendments

The DRP must send an email to [cdfa.calcannabis\\_amendments@cdfa.ca.gov](mailto:cdfa.calcannabis_amendments@cdfa.ca.gov) with the following information:

- License numbers being amended
- What information is specifically being amended
- Supporting documentation for the amendment, if applicable

Emails to [cdfa.calcannabis\\_amendments@cdfa.ca.gov](mailto:cdfa.calcannabis_amendments@cdfa.ca.gov) should ONLY contain amendment requests. Any other questions or emails should be sent to [calcannabis@cdfa.ca.gov](mailto:calcannabis@cdfa.ca.gov)

## **Types of Administrative Amendments:**

- DRP declaration
- Owner information change
- Ownership Change
- Admin Amendment (Legal right to occupy, surety bond, financial interest holder(s), etc.)



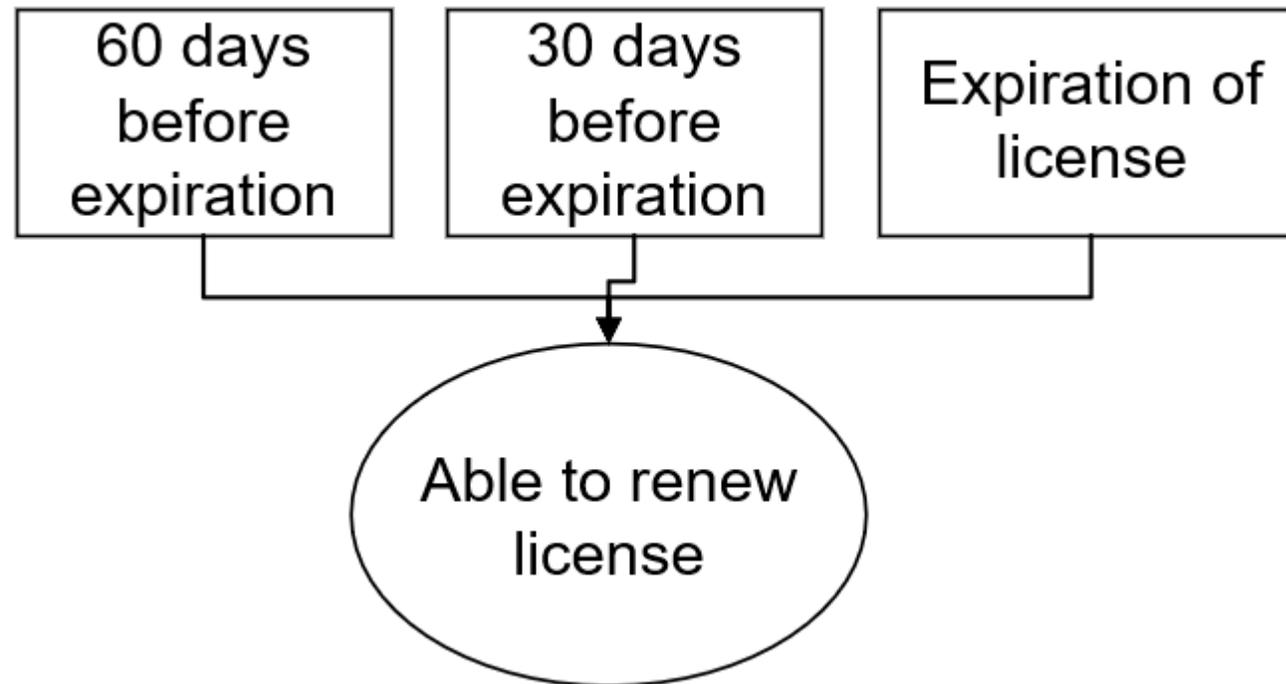
# Science Amendments

- Physical Modification of the licensed premises
- Provisional License Transition to Annual License
- Provisional License Renewal Review

# Transition of Provisional License to Annual License

- Request submitted through a Science Amendment
- License may be transitioned at anytime
- A license's expiration date will not change
- Must meet all regulatory requirements

# Renewal of Licenses



\*License fee is due at time of renewal\*

# Renewal of Licenses

## Annual License Renewal

- Automated within the system-pay the fee and receive a license

# Renewal of Provisional Licenses

## Provisional License Renewal – **requires science amendment**

- Proof of diligently making progress on outstanding deficiencies or other permitting agency requirements
  - Division 10 of the Business and Professions Code Section 26050.2
  - Subject to a licensing action if submitted without proof of progress

# California Cannabis Track-and-Trace (CCTT) System

- Annually licensed cultivators required to report the disposition of immature and mature plants, non-manufactured products, transfers, and waste (Seed to Sale)
- Encrypted radio frequency Unique Identifiers (UIDs) required to be used for track-and-trace of plants and packages.
- UIDs provided at no cost to the licensee
- Metrc

# CCTT Use

**Licensees are required to use the CCTT system, and must complete required training prior to being provided access to CCTT**

- After notice of approval of their license, the DRP/Account Manager has 5 calendar days to register for Metrc New Business training
- Once they have been credentialed – 5 calendar days to order their tags
- Once they have physically received their tags – 3 calendar days to acknowledge receipt of the tags in Metrc
- Once they have received their tags – 30 calendar days to tag all existing inventory (plants and packages)

# CCTT Use

**Three (3) calendar days to report all activity in Metrc (waste produced, plants harvested, packages created, etc.)**

- Date entered in Metrc must be the actual date of the activity
- Must receive or reject a transfer from another licensee within twenty-four (24) hours of physical receipt or rejection of the products.

**Compliance is currently revoking licenses for cultivators who are delinquent in completing their CCTT requirements**

# Compliance

- Multiple inspections a year
  - Compliance with regulation and cultivation plan
- Contracts through County Ag Commissioners
- Notice of Non-Compliance
- Notice of Violation (fines)
- Possible revocation

# Enforcement

- Focus is on illegal cultivation sites
- Make recommendations to Licensing and Compliance based on local law enforcement and permitting agencies referrals

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# Thank you for joining us!



Visit our website and join our email-alert list: [calcannabis.cdfa.ca.gov](http://calcannabis.cdfa.ca.gov)



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